

Introduced by Senator Simitian

December 1, 2008

An act to add Division 26.6 (commencing with Section 79600) to the Water Code, relating to financing a water quality, environmental enhancement, and water supply reliability program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 12, as introduced, Simitian. Sacramento-San Joaquin River Delta, Clean Drinking Water, Water Supply Security, and Environmental Improvement Act of 2009.

Under existing law, various bond acts have been approved by the voters to provide funds for water projects, facilities, and programs. Under existing law, various state agencies administer programs relating to water supply, water quality, and flood management in the Sacramento-San Joaquin Delta.

This bill would enact the Sacramento-San Joaquin River Delta, Clean Drinking Water, Water Supply Security, and Environmental Improvement Act of 2009, which, if approved by the voters, would authorize, for the purposes of financing a water quality, environmental enhancement, and water supply reliability program, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$6,000,000,000. The bill would require the Secretary of State to submit the bond act to the voters at the November __, ____, statewide general election.

The bill would establish in state government the Delta Water and Land Use Authority, prescribe the composition of its board of directors,

and grant to the authority a broad range of powers relating to the preservation of the Delta ecosystem and the delivery of a reliable state water supply. The bill would authorize the authority to contract to design, construct, and own one or more facilities to move water from the Sacramento River to federal and state pumping facilities on behalf of the State Water Project, the federal Central Valley Project, and local water agencies that can reasonably be served by those facilities.

The bill would authorize the authority to exercise the powers and duties of the Department of Water Resources with respect to the financing, design, construction, ownership, and operation of those facilities. The authority would succeed to the powers and duties of the California Bay-Delta Authority, which would cease to exist on the date on which the authority conducts its first meeting. The bill would authorize the authority to issue revenue bonds to finance the design, environmental review, permitting, and construction of those facilities. The bill would authorize the authority to impose a fee for the transmission of water through these facilities, and would continuously appropriate funds generated by that fee to the authority to repay the revenue bonds and to pay other costs, including costs associated with the operation and maintenance of the facility and the expenses of the authority.

The bill would require the authority to impose other fees, including a fee, not to exceed \$50 per acre-foot of water transmitted through the facilities, or otherwise pumped from the Delta, as specified, on federal and state contractors and affected local water agencies. The bill would authorize the authority to impose a fee on specified water users to mitigate impacts on Delta ecological functions caused by their diversions. The bill would require the funds generated by these fees to be deposited in the Clean Drinking Water, Water Quality Improvement, and Environmental Enhancement Fund, which the bill would establish. Funds generated by these fees would be continuously appropriated to the authority for an ecosystem restoration program. Proceeds generated from the issuance of general obligations bonds would be deposited in the fund. These proceeds would be continuously appropriated to the authority for capital outlay projects in accordance with the bill's provisions.

The bill would establish within the California Coastal Commission the Delta Watershed Conservancy. The conservancy would be required to implement projects and programs, within the watershed of the San Francisco Bay/Sacramento-San Joaquin Delta Estuary and the watershed

of the Trinity River, to restore and enhance the bay-delta ecosystem and improve water quality. The bill would require the authority to adopt or reject each decision of the conservancy.

The bill would subject any approval of development by a city or county in specified zones of the Delta, and certain lands adjacent to the Delta, to review by the Delta Protection Commission. The commission would be prohibited from approving that development unless specified requirements are met. The bill would require the authority to adopt or reject these land use decisions of the commission. Public agencies would be required to manage agricultural lands they own within the Delta in a specified manner.

The bill would provide that its provisions would only become operative if a specified measure is approved by the voters at the November __, ____ statewide general election.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 26.6 (commencing with Section 79600)
2 is added to the Water Code, to read:

3
4 DIVISION 26.6. SACRAMENTO-SAN JOAQUIN RIVER
5 DELTA, CLEAN DRINKING WATER, WATER SUPPLY
6 SECURITY, AND ENVIRONMENTAL IMPROVEMENT ACT
7 OF 2009

8
9 CHAPTER 1. GENERAL PROVISIONS

10
11 79600. This division shall be known, and may be cited, as the
12 Sacramento-San Joaquin River Delta, Clean Drinking Water, Water
13 Supply Security, and Environmental Improvement Act of 2009.

14 79601. The Legislature finds and declares all of the following:
15 (a) The Sacramento-San Joaquin River Delta is a web of
16 channels, natural habitat, and reclaimed islands at the confluence
17 of the Sacramento and San Joaquin Rivers. It forms the eastern
18 portion of the wider San Francisco Bay Estuary, which also
19 includes the San Francisco, San Pablo, and Suisun Bays. The Delta
20 collects water from California's largest watershed, which
21 encompasses roughly 45 percent of the state's surface area and

1 stretches from the eastern slopes of the coastal ranges to the western
2 slopes of the Sierra Nevada and Cascade mountain ranges.

3 (b) The Delta supports a unique and irreplaceable combination
4 of environmental and economic values, including all of the
5 following:

6 (1) Delta ecosystem. The San Francisco Bay/Sacramento-San
7 Joaquin Delta Estuary is a unique ecosystem. The Delta and the
8 adjacent Suisun Marsh, an integral part of the Delta ecosystem,
9 provide habitat for 700 species, including 12 species listed under
10 either the federal or state endangered species laws. Eighty percent
11 of the state's commercial fishery species live in or migrate through
12 the Delta. It is a major stopping point for hundreds of thousands
13 of migrating birds along the Pacific Flyway. The Suisun Marsh
14 alone contains more than 10 percent of California's remaining
15 wetlands.

16 (2) Water supply. Two-thirds of the state's residents rely on the
17 Delta for part or all of their drinking water. One-sixth of all
18 irrigated lands in the nation are located in this watershed and water
19 exported from the Delta irrigates 45 percent of the fruits and
20 vegetables produced in the United States.

21 (3) Agricultural and other land uses. Delta lands have
22 contributed significantly to the agricultural economy in California.
23 Supporting a population of about 470,000, the cities, towns, and
24 settlements within the Delta are of significant historical, cultural,
25 and economic value.

26 (4) Major transportation corridors. Three state highways, three
27 rail lines, and two deepwater channels cross the Delta and the Delta
28 serves two inland ports. Most of these transportation corridors
29 serve other areas of the state.

30 (5) Utility corridors. Hundreds of gas lines, five high voltage
31 lines, and critical water supply aqueducts that serve public health
32 and safety needs cross the Delta, including multiple Delta islands.
33 The Delta is also home to numerous underground natural gas
34 storage sites.

35 (6) Recreation. The Delta's 635 miles of boating waterways are
36 served by 138 marinas containing 11,700 in water boat slips and
37 dry storage for 5,500 boats. In 2000, there were an estimated 6.4
38 million boating-related visitor days, with 2.13 million boating
39 trips. Other major recreational activities in the Delta include

1 fishing, waterfowl, and upland game bird hunting, wildlife viewing,
2 bird watching, and windsurfing.

3 (7) Flood management. The Delta is the natural outlet for a
4 42,500 square mile watershed that includes the central valley and
5 the western slope of the Sierra Nevada from Fresno to north of
6 Mount Shasta. As such, it is the main conduit for flood waters to
7 flow out to the ocean. The Delta itself is protected by extensive,
8 but fragile, flood management facilities, including about 1,100
9 miles of levees in the Delta and about 230 miles of levees in the
10 Suisun Marsh. These levees protect about 65 islands and tracts in
11 the Delta. Most of these levee-protected lands are below sea level;
12 some areas are as much as 25 feet below sea level.

13 (c) The Delta cannot sustain important environmental and
14 economic values under current conditions. All of these values
15 either are already in significant decline or are at risk of sudden
16 failure. Several factors are intensifying the problems, including
17 all of the following:

18 (1) Land subsidence, sea level rise, and changes in climate make
19 Delta levees increasingly vulnerable to failure from earthquakes,
20 floods, and other causes. Over the next 50 years, there is a
21 two-thirds chance of a catastrophic levee failure in the Delta,
22 leading to flooding of multiple islands and the intrusion of
23 seawater. The Department of Water Resources estimates that a
24 large earthquake near the Delta would cause major interruptions
25 in water supplies for southern California, the San Joaquin Valley,
26 and the San Francisco Bay area, as well as disruptions of power,
27 road, and shipping lines, costing the state's economy as much as
28 \$40 billion. These failures also would create major environmental
29 disruptions and local flooding risks.

30 (2) Endangered species and fisheries have continued to decline
31 in the Delta and disruptive nonnative species continue to invade.
32 In the fall of 2004, routine fish surveys registered sharp declines
33 in the numbers of several open-water (pelagic) species, including
34 the Delta smelt, already listed as threatened under the federal and
35 state endangered species laws. Subsequent surveys have confirmed
36 the trend, raising concerns that the Delta smelt, which are
37 sometimes seen as an indicator of ecosystem health in the Delta,
38 risks extinction if a solution is not found quickly. In the winter of
39 2008, salmon populations reliant on the Delta declined
40 precipitously.

1 (3) Delta water quality remains at risk from salts entering from
2 the ocean and the central valley’s agricultural drainage, as well as
3 from pesticides and metals coming from agricultural and urban
4 lands. Chronic toxicants continue to be a problem, and episodic
5 toxic events from urban and agricultural applications are also a
6 major problem.

7 (4) Organic soils in the Delta contribute precursors for
8 trihalomethanes, a known carcinogen. Removing trihalomethanes
9 from drinking water is very costly.

10 (5) Regional population and economic growth have increased
11 pressure to urbanize Delta lands near major transportation routes
12 and urban centers. This “hardening” of Delta lands simultaneously
13 raises the costs of flood management and reduces the flexibility
14 of land management options. Unlike most other activities in the
15 Delta, urbanization is generally irreversible. Additionally,
16 urbanization is self-accelerating. Urbanization in one location
17 significantly increases the value of adjacent lands. This, coupled
18 with declining profit margins for farming, will increase the pressure
19 to convert farmlands to subdivisions. This shift will come at the
20 expense of habitat protection and other services, such as water
21 quality and water supply.

22 (d) The Delta Vision Blue Ribbon Task Force created by
23 Executive Order S-17-06 found that new facilities for conveyance
24 and storage, and better linkage between the two, should be
25 developed to better manage California’s water resources for both
26 the estuary and exports.

27 (e) It is necessary to implement the recommendations of the
28 Delta Vision Blue Ribbon Task Force to “develop a durable vision
29 for sustainable management of the Delta” with the goal of
30 “managing the Delta over the long term to restore and maintain
31 identified functions and values that are determined to be important
32 to the environmental quality of the Delta and the economic and
33 social well being of the people of the state.”

34 (f) The State Water Project is the single largest power user in
35 this state. The pumps necessary to move water south are
36 power-intensive and could be served well by solar or wind
37 electrical generating facilities, or both, installed along state-owned
38 rights-of-way in the Delta.

39 79602. It is the intent of the Legislature to begin implementing
40 a program for sustainable management of the Delta ecosystem.

1 By enacting this division, the Legislature intends to accomplish
2 all of the following:

3 (a) Establish policies to manage the Delta that balance equally
4 public trust values and the reasonable use of the state's limited
5 water resources.

6 (b) Complete the environmental evaluation of the preferred
7 alternatives identified by the Bay Delta Conservation Plan and
8 construct the facilities authorized by this division as soon as is
9 feasible.

10 (c) Develop strategies to protect endangered species and other
11 species reliant on the Delta.

12 (d) Develop actions to protect the drinking, industrial, and farm
13 agricultural water supplies, including critical water supply
14 aqueducts that serve public health and safety needs and cross
15 multiple Delta islands.

16 (e) Develop a program designed to restore the Delta's
17 environment and protect the state's water conveyance capabilities
18 and infrastructure within the Delta.

19 (f) Develop a program that is guided by the principal that the
20 land and waterways of the Delta are an integral part of a healthy
21 estuary. The goal of actions and decisions for the Delta should be
22 to preserve and enhance native species by creating a more
23 heterogeneous estuarine environment, including a diverse habitat
24 mosaic, expanded areas of seasonal and tidal wetlands, effective
25 connections between the estuary and the larger landscape, and
26 freshwater flows of the right temperatures at the right times. The
27 physical geography of the Delta and patterns of food production,
28 nutrient distribution, subsidence reversal, migration, water flow,
29 and salinity should support ecosystem functions and processes
30 characteristic of a productive estuary.

31 (g) Develop programs recognizing that California's water supply
32 is limited and should be managed with significantly higher
33 efficiency to be adequate to meet the needs of future populations,
34 a growing economy, and a sustainable environment.

35 (h) Invest limited financial resources in greater conservation,
36 increased regional self-sufficiency in water supplies, more
37 conjunctive use of groundwater, integrated water system
38 management and demand management, and new technologies.

1 (i) Encourage equitable access to higher quality water sources
2 and seek to reduce conflict among water users for diversion from
3 the highest water quality locations.

4 (j) Make water conservation the first priority underlying
5 governmental decisions and expenditures regarding water
6 originating within the Delta watershed and encourage all areas of
7 California to develop policies relying on increased regional
8 self-sufficiency.

9 (k) Ensure that investments of public funds pursuant to this
10 division result in public benefits.

11 (l) Encourage regulatory agencies to respond expeditiously to
12 requests for review of project documents and permit applications
13 by the Delta Water and Land Use Authority established by Section
14 79604.

15 (m) Maximize solar or wind electrical generation opportunities,
16 or both, wherever feasible, along rights-of-way necessary for new
17 facilities authorized pursuant to this chapter to offset electric power
18 requirements.

19 (n) Enter into negotiations with the federal government for
20 purchase or operational control of the Central Valley Project.

21 (o) Maximize opportunities to reduce carbon dioxide emissions
22 from the Delta and sequester carbon dioxide within the Delta.

23 79603. Unless the context requires otherwise, the definitions
24 set forth in this section govern the construction of this division:

25 (a) “Acquisition” means the acquisition of a fee interest or any
26 other interest, including easements, leases, and development rights.

27 (b) “Adaptive management” means a method of constructing
28 and operating physical facilities in a manner that maximizes
29 operational flexibility in response to changing physical and
30 biological conditions.

31 (c) “Authority” means the Delta Water and Land Use Authority
32 established by Section 79604.

33 (d) “Bay area counties” means those counties that are members
34 of the Association of Bay Area Governments.

35 (e) “Bay-Delta” means the San Francisco Bay/Sacramento-San
36 Joaquin Delta.

37 (f) “Bay Delta Conservation Plan” means any natural
38 communities conservation plan or habitat conservation plan being
39 developed by the Resources Agency through a consortium of public

1 agencies and nonprofit organizations to protect and restore
2 endangered and threatened species and their habitat in the Delta.

3 (g) “Board” or “board of directors” means the board of directors
4 of the authority.

5 (h) “CALFED” means the consortium of state and federal
6 agencies with management and regulatory responsibilities in the
7 bay-Delta.

8 (i) “CALFED Bay-Delta Program” means the undertaking by
9 CALFED to develop and implement, by means of the final
10 programmatic environmental impact statement/environmental
11 impact report, the preferred programs, actions, projects, and related
12 activities that will provide solutions to identified problem areas
13 related to the bay-Delta ecosystem, including, but not limited to,
14 the bay-Delta and its tributary watersheds.

15 (j) “California Environmental Quality Act” refers to the
16 California Environmental Quality Act as set forth in Division 13
17 (commencing with Section 21000) of the Public Resources Code.

18 (k) “Delta” means the area of the Sacramento-San Joaquin Delta
19 that is defined in Section 12220.

20 (l) “Delta Protection Commission” or “commission” means the
21 commission established pursuant to Section 29735 of the Public
22 Resources Code.

23 (m) “Delta Watershed Conservancy” or “conservancy” means
24 the conservancy established pursuant to Chapter 4 (commencing
25 with Section 79640).

26 (n) “Department” means the Department of Water Resources.

27 (o) “Facility” means one or more facilities described in Chapter
28 3 (commencing with Section 79609), and includes the intake
29 facilities and related facilities necessary to implement the facility.

30 (p) “Fund” means the Clean Drinking Water, Water Quality
31 Improvement, and Environmental Enhancement Fund established
32 by Section 79670.

33 (q) “Nonprofit organization” means any nonprofit corporation
34 formed pursuant to the Nonprofit Public Benefit Corporation Law
35 (Part 2 (commencing with Section 5110) of Division 2 of Title 1
36 of the Corporations Code) and qualified under Section 501(c)(3)
37 of the United States Internal Revenue Code.

38 (r) “Public water agency” means a public entity, as defined in
39 Section 514, that provides water service, as defined in Section 515.

CHAPTER 2. DELTA WATER AND LAND USE AUTHORITY

79604. There is hereby established in state government the Delta Water and Land Use Authority.

79605. (a) (1) The board of directors of the authority shall consist of seven members, of which five are appointed by the Governor and confirmed by the Senate, one is appointed by the Senate Committee on Rules, and one is appointed by the Speaker of the Assembly.

(2) The initial term of office of each member of the board shall be two, four, or six years, as specified in subdivision (b), and all subsequent terms shall be eight years. No member of the board shall serve two consecutive terms, but a member may be reappointed to the board after a period of two years following the end of his or her term. Those members of the board that serve an initial term of two or four years may be immediately appointed to a subsequent full eight-year term.

(b) At the first meeting of the board, the members shall classify themselves by lot into three classes. One class shall have three members and the other two classes shall have two members each. For the class that has three members, the terms of office shall be two years. The second class, composed of two members, shall serve four years. The third class, composed of two members, shall serve six years. Thereafter, the terms of all succeeding members shall be eight years.

(c) Any vacancy shall be filled by the appointing authority within 60 days. If the term of a board member expires, and no successor is appointed within the allotted timeframe, the existing member may serve 180 days beyond the expiration of his or her term.

(d) The Governor shall appoint a chairperson from among the board members, who shall serve for not more than four years.

(e) The authority shall meet once a month in a public forum. At least two meetings each year shall take place within the Delta.

(f) The Commissioner of the United States Bureau of Reclamation, the Director of the United States Fish and Wildlife Service, the Director of the National Marine Fisheries Service, and the Director of the United States Geological Service, if those federal officials wish to participate, as well as the director of the

1 department and the Director of Fish and Game, shall be nonvoting
2 ex officio members of the board of directors.

3 79606. The chairperson shall serve full time. Other members
4 shall serve one-third time. The board of directors may select a vice
5 chairperson and other officers determined to be necessary.

6 79607. (a) Each member of the board shall receive the salary
7 provided for in Section 11564 of the Government Code.

8 (b) The members of the board of directors shall be reimbursed
9 for expenses necessarily incurred in the performance of official
10 duties.

11 (c) The board of directors shall appoint an executive director
12 who shall serve full time.

13 (d) The authority shall hire employees necessary to carry out
14 the functions of the agency.

15 (e) The number of employees and qualifications of those
16 employees shall be determined by the authority, subject to the
17 availability of funds.

18 (f) The salary of each agency employee shall be determined by
19 the State Personnel Board, and shall reflect the duties and
20 responsibilities of the position.

21 (g) All persons employed by the authority are state employees,
22 subject to the duties, responsibilities, limitations, and benefits of
23 the state.

24 79608. The headquarters of the agency shall be located in
25 Sacramento.

26
27 CHAPTER 3. MISSION, DUTIES, AND RESPONSIBILITIES OF THE
28 DELTA WATER AND LAND USE AUTHORITY
29

30 79609. The authority shall do all of the following:

31 (a) Have as primary coequal goals, the preservation of the native
32 species of the Delta ecosystem and the delivery of a reliable water
33 supply. In adopting programs to achieve these coequal goals, the
34 authority shall balance the legal concepts of reasonable use of the
35 waters flowing into the Delta, and maintenance of the public trust
36 values of the Delta and its waters. For the purposes of this
37 subdivision, “delivery of a reliable water supply” includes assisting
38 in meeting Delta water quality standards established by the State
39 Water Resources Control Board.

(b) Adopt capital investment strategies that strengthen selected levees, improve floodplain management, and improve water circulation and quality. The strategies shall address the protection of critical water supply aqueducts that serve public health and safety needs and cross multiple Delta islands. In adopting land use decisions in the Delta, first priority shall be given to strategies that restore the level of Delta lands to above sea level, and that reduce the emission of greenhouse gases from the Delta.

(c) (1) The authority shall develop ecological benchmarks for streams tributary to the Delta consistent with achieving the doubling of specified fish populations in designated timeframes.

(2) The authority shall consult with the United States Fish and Wildlife Service and, where applicable, shall adopt stream restoration guidelines for fisheries developed within the anadromous fish restoration program.

(3) The authority shall, in addition, utilize as guidelines for ecosystem restoration those developed by the CALFED Ecosystem Restoration Program.

(d) (1) The authority and the Delta Watershed Conservancy may purchase, sell, hold, and transfer water rights for both environmental and water supply purposes. The water rights shall be used to meet water supply and fishery restoration goals, and shall be acquired only from willing sellers with the approval of the State Water Resources Control Board.

(2) The authority granted by this subdivision is for the express purpose of setting priorities for water purchases from willing sellers and meeting fishery restoration goals, and does not contradict, conflict with, or supersede any existing water rights, statutes, or adjudications.

(e) Adopt policies discouraging inappropriate urbanization of the Delta to maximize public safety and protect critical infrastructure of statewide significance.

(f) Adopt Delta land use policies that minimize the risk of flooding of vital infrastructure.

(g) (1) Adopt policies for the Delta that are designed for resiliency and adaptive management of the terrestrial and aquatic habitat.

(2) These policies shall include specific benchmarks and timelines for habitat purchase that shall guide decisions by the

1 Delta Watershed Conservancy, and land use decisions undertaken
2 by the Delta Protection Commission.

3 (3) In determining whether to adopt decisions made by the Delta
4 Watershed Conservancy and the Delta Protection Commission,
5 the authority shall determine that those decisions are consistent
6 with and do not conflict with the habitat restoration goals
7 established by this division.

8 (h) Adopt policies designed to bring about immediate
9 improvements to the existing through-Delta export system, while
10 the preferred long-term option is being designed and is undergoing
11 environmental review.

12 (i) (1) Adopt benchmarks for assessing progress toward critical
13 goals drawing on contributions from scientists, state and federal
14 agency program managers, and knowledgeable members of the
15 public.

16 (2) Fishery restoration goals shall include, at a minimum, those
17 established by the anadromous fish restoration program of the
18 United States Fish and Wildlife Service.

19 (j) Mitigate, to the extent feasible, adverse impacts to native
20 fish that may result from actions taken pursuant to this division.

21 79610. (a) The authority may contract to design, construct,
22 and own a facility or facilities to move water from the Sacramento
23 River to the Harvey Banks Pumping Plant of the State Water
24 Resources Development System, and the Tracy Pumping Plant of
25 the federal Central Valley Project.

26 (b) The state board, prior to the operation of a facility, and
27 periodically thereafter, pursuant to this section and existing law,
28 shall adopt water quality standards and water rights terms and
29 conditions that require Delta outflows and water quality sufficient
30 to protect and restore to sustainable levels fisheries native to the
31 Delta. To the extent feasible, water quality standards and water
32 rights shall include the flexibility to include adaptive management.
33 The state board shall condition any permit for a Delta conveyance
34 facility on compliance with this division.

35 (c) The authority shall serve as the lead agency for conducting
36 environmental studies pursuant to the California Environmental
37 Quality Act and the state lead agency for purposes of the National
38 Environmental Protection Act (42 U.S.C. Sec. 4321 et seq.). The
39 authority shall serve as the successor lead agency to scoping and
40 drafting environmental documents contracted for by the department

1 and the Resources Agency prior to the date on which the authority
2 becomes operational.

3 (d) The authority shall conduct an environmental review of the
4 preferred alternative or alternatives adopted in the Bay Delta
5 Conservation Plan. Alternatives considered shall include at least
6 all of the following:

7 (1) A dual conveyance option that includes an isolated
8 conveyance facility combined with an improved through-Delta
9 mechanism.

10 (2) A stand-alone isolated facility, if the authority determines
11 that moving water from the Sacramento River to the pumps through
12 the Delta is significantly threatened by seismic activity, flooding,
13 ocean rise, or other human or natural causes.

14 (3) A no-project alternative analysis consistent with the
15 California Environmental Quality Act and the National
16 Environmental Protection Act (42 U.S.C. Sec. 4321 et seq.).

17 (e) (1) The facility shall be designed to convey water for the
18 State Water Project, the federal Central Valley Project, and local
19 water agencies that can reasonably be served by the facility. The
20 design of the facility shall reflect consideration of the
21 recommendations of the Delta Vision Blue Ribbon Task Force
22 established by Executive Order S-17-06 and the final program
23 developed pursuant to the October 6, 2006, Planning Agreement
24 for the Bay Delta Conservation Plan, as well as designs and
25 mitigation actions identified in the environmental impact
26 report/environmental impact statement prepared in accordance
27 with subdivision (c).

28 (2) The authority shall not construct facilities to convey water
29 for a water agency unless the authority has entered into a contract
30 with the water agency for repayment of the authority's costs in
31 accordance with this division.

32 (3) The authority may contract with any public agency to
33 transport water through the facility, subject to the requirements of
34 this division.

35 (4) The design, construction, and operation of the facility shall
36 comply with all of the following requirements:

37 (A) Allow the State Water Project and the federal Central Valley
38 Project, if the federal Central Valley Project wishes to participate,
39 to reliably deliver water to export contractors and facilitate water
40 transfers among willing sellers.

1 (B) Reduce impacts to native fish caused by the operation of
2 the export pumps and improve the operational flexibility and ability
3 of the State Water Project and the federal Central Valley Project
4 to provide ecosystem and water supply benefits.

5 (C) Provide conditions that will allow for habitat improvements
6 for fish and wildlife in the Delta, the recovery of listed species,
7 and sustainable ecosystem functions.

8 (D) Reduce the quantity of bromide, total organic carbon, total
9 dissolved solids, and other pollutants in the water pumped at state
10 and federal water pumping facilities and by local agencies to
11 protect the public health and improve the ability to manage salinity
12 concentrations in water exported.

13 (E) Increase flexibility to manage uncertainties associated with
14 climate change and future fishery needs.

15 (F) Promote ecosystem restoration of the Delta.

16 (G) Facilitate wet-year water storage for use in dry years.

17 (f) The authority shall have all the powers, duties, and
18 obligations of the department with respect to the financing, design,
19 construction, ownership, and operation of the facility.

20 (g) The facility shall be operated consistent with Sections 10505,
21 10505.5, 11128, 11460 to 11463, inclusive, and this division shall
22 not affect the application of those sections.

23 (h) The construction and operation of the facility shall be subject
24 to, and the authority shall comply with, all applicable state and
25 federal environmental laws and regulations and the terms and
26 conditions of any applicable water rights permits and licenses.

27 (i) (1) The authority shall enter into a contract with a joint
28 powers agency composed of water agencies using the facility,
29 including, if willing to participate, the United States or its water
30 contractors, for the design, construction, operation, maintenance,
31 and repair of the facility. The authority shall approve or reject
32 proposed actions of the joint powers agency in advance and make
33 written findings with regard to those actions.

34 (2) The contract shall comply with all of the following
35 requirements:

36 (A) Provide for an appropriate allocation of costs attributable
37 to the use of the facility to deliver water to the State Water
38 Resources Development System, the federal Central Valley Project,
39 and other water users, including a pro rata share of capital,

1 operation, maintenance, and replacement regulatory and
2 environmental costs.

3 (B) Allocate capacity in and priority to use the facility. The
4 allocation shall be consistent with the contracts for delivery of
5 water by the State Water Project and the federal Central Valley
6 Project.

7 (C) Include other terms and conditions that the authority
8 determines necessary or appropriate.

9 (D) Provide for the replacement of components of the facility
10 as necessary and shall otherwise be performed in a manner ensuring
11 that the facility is maintained in good condition and protected to
12 ensure its long-term operation.

13 (3) The authority shall be fully responsible for all work carried
14 out pursuant to contract, including the quality and timeliness of
15 that work. The authority shall provide those taking water from the
16 facility with documentation that demonstrates substantial
17 compliance with those contract provisions.

18 79612. (a) The authority shall take all necessary or appropriate
19 actions to expeditiously obtain permits and other approvals for,
20 and commence operation of, the facility, including coordinating
21 and cooperating with all state or federal regulatory agencies.

22 (b) Any state agency with regulatory or approval authority with
23 respect to the construction, implementation, or operation of the
24 facility shall take all actions necessary or appropriate to process
25 and make any required determinations on permits or approvals as
26 expeditiously as possible.

27 79614. (a) All of the costs of the authority that are associated
28 with the ordinary operations, maintenance, and replacement of the
29 facility shall be paid for from funds generated pursuant to Section
30 79622. The portion of the costs so paid attributable to deliveries
31 to State Water Project contractors shall be considered a
32 transportation cost billable to the State Water Project contractors
33 pursuant to the applicable provision of each contractor's long-term
34 water supply contract.

35 (b) Capital outlay costs associated with the replacement and
36 new construction associated with the facility shall be paid for from
37 funds generated pursuant to subdivision (a) of Section 79622.

38 (c) The costs paid pursuant to this section attributable to
39 deliveries to the State Water Project contractors shall be considered
40 a transportation cost billable to the State Water Project contractors

1 pursuant to the applicable provision of each contractor's long-term
2 water supply contract.

3 (d) The water delivery contracts allowing for use of the facility
4 shall include a requirement that sufficient funds are paid each year
5 to maintain the facility in good condition regardless of the amount
6 of water delivered.

7 79616. (a) The facilities constructed pursuant to Section 79610
8 shall not adversely impact the intake facility jointly operated by
9 the County of Sacramento and the East Bay Municipal Utility
10 District.

11 (b) If changes are required to be made to the Elk Grove plant
12 of the Sacramento Regional County Sanitation District because of
13 the operation of the facility constructed pursuant to this division,
14 the costs shall be included as costs of the facility and shall not be
15 the responsibility of that district. This division does not prohibit
16 a regulatory agency from requiring changes to that plant or any
17 other facility of the district that are required by law.

18 79618. The authority shall take all necessary or appropriate
19 actions to design, if feasible, solar and wind electrical generation
20 capacity into the final plans of an approved facility for the purpose
21 of mitigating energy needs and costs of the facility and the State
22 Water Project. These renewable energy facilities shall be
23 constructed through the issuance of revenue bonds.

24 79619. (a) This division does not impact existing area of origin
25 or county of origin protections.

26 (b) Section 5937 of the Fish and Game Code applies to all waters
27 tributary to the Delta.

28 (c) The public trust doctrine applies to all waters tributary to
29 the Delta.

30 (d) This division does not amend the California Endangered
31 Species Act (Chapter 1.5 (commencing with Section 2050) of
32 Division 3 of the Fish and Game Code) or the California
33 Environmental Quality Act.

34 79620. In addition to the powers and duties granted by this
35 division, the authority succeeds to, and is vested with, all the
36 powers, duties, responsibilities, obligations, liabilities, and
37 jurisdiction of the California Bay-Delta Authority, which shall
38 cease to exist as of the date on which the board conducts its first
39 meeting pursuant to subdivision (b) of Section 79605. The authority

1 may continue the existence of the Bay Delta Public Advisory
2 Committee.

3 79622. (a) The authority may issue revenue bonds to finance
4 the design, environmental review, permitting, and construction of
5 the facility.

6 (b) The revenue bonds shall be repaid by charges, imposed
7 pursuant to subdivision (d), on water contractors and other
8 beneficiaries that contract for the use of the facilities constructed
9 pursuant to this division, commensurate with the benefits received.
10 Charges shall not be applied to repay the revenue bonds that are
11 not directly related to the construction, operation, maintenance,
12 and replacement of the facility.

13 (c) Except for the fee imposed by Chapter 8 (commencing with
14 Section 79670), as required by Chapter 10 (commencing with
15 Section 11900) of Part 3 of Division 6, any costs incurred in
16 developing, constructing, or operating the facility for the
17 enhancement of fish and wildlife or the development of public
18 recreation shall not be charged to the contractors and shall be
19 nonreimbursable costs. For purposes of this section, “enhancement”
20 does not include actions necessary to mitigate the impacts of the
21 State Water Resources Development System or the federal Central
22 Valley Project.

23 (d) The authority shall impose a fee for the transmission of water
24 through the facility sufficient to pay for all of the following:

25 (1) The repayment of the revenue bond issues pursuant to
26 subdivision (a).

27 (2) The operation and maintenance of the facility.

28 (3) The salaries and other ongoing expenses of the joint powers
29 authority described in subdivision (i) of Section 79610 and the
30 authority.

31 (4) The annual audits required by Section 79630.

32 (5) The costs imposed on the authority by local, state and federal
33 agencies, and the courts, including, but not limited to, costs
34 imposed by the Department of Justice or the Department of General
35 Services.

36 (6) Notwithstanding Section 13340 of the Government Code,
37 the moneys generated pursuant to this section are hereby
38 continuously appropriated to the authority, without regard to fiscal
39 years, for purposes of this section.

1 79623. (a) The authority may contract to construct, own, and
2 operate a facility to relocate the intake of the North Bay Aqueduct
3 to the Sacramento River. That facility may also convey water for
4 local water agencies that can reasonably be served from the facility,
5 including, but not limited to, the City of Davis. The North Bay
6 Aqueduct replacement shall be considered part of the facility.

7 (b) The authority shall serve as the lead agency for conducting
8 environmental studies for the North Bay Relocation Facility
9 pursuant to the California Environmental Quality Act.

10 (c) The authority shall contract to construct the North Bay
11 Relocation Facility, subject to contracts with participating agencies
12 to repay the authority's costs.

13 79624. (a) The authority shall adopt or reject, by majority
14 vote, each decision regarding _____ made by the Delta Watershed
15 Conservancy within 60 days of that decision.

16 (b) The authority shall adopt or reject, by majority vote, each
17 land use decision made by the Delta Protection Commission that
18 is made pursuant to the authority granted to that commission
19 pursuant to Chapter 5 (commencing with Section 79650), within
20 60 days of that decision. The authority shall not review decisions
21 that are made by the Delta Protection Commission pursuant to
22 authority granted by other than that chapter.

23 (c) The authority shall adopt or reject, by majority vote, all
24 design, construction, and operational decisions made by the joint
25 powers authority described in subdivision (i) of Section 79610.

26 79626. The authority may receive grants or gifts from public
27 agencies, private entities, or individuals for the purposes of this
28 division.

29 79628. The authority shall be represented by the Attorney
30 General in any litigation, and shall reimburse the Attorney General
31 for any costs incurred.

32 79630. (a) The Auditor General shall audit the authority
33 annually. The Auditor General shall report the findings of the audit
34 to the Legislature and the Governor, and shall make the results of
35 the audit available to the public by posting that information on its
36 Internet Web site.

37 (b) The Legislature may appropriate funds from sources other
38 than those provided by this division for an independent audit of
39 the authority.

1 79632. Venue for any litigation brought concerning the
2 construction or operation of the facility implemented pursuant to
3 this division shall be the Superior Court of Sacramento County.

4 79634. (a) The authority shall prepare plans and take actions
5 to address near-term water supply reliability needs in the Delta.
6 Those actions shall include actions to ensure that urban and
7 agricultural water supplies derived from or crossing the Delta,
8 including water supplies within the Delta to support beneficial
9 uses, are not disrupted because of catastrophic failures of the Delta
10 levees resulting from earthquakes, floods, land sinking, rising
11 ocean levels, or other forces. The actions shall include projects to
12 improve the reliability and emergency preparedness of water
13 supplies for public health and safety by interconnecting existing
14 critical water supply aqueducts that serve public health and safety
15 needs and cross multiple Delta islands.

16 (b) The authority shall enter into a memorandum of
17 understanding with the department to enhance the department's
18 ability to respond to levee breaches and to reduce the potential for
19 levee failure. The memorandum shall address all of the following:

20 (1) The acquisition and positioning of emergency construction
21 materials and equipment.

22 (2) Emergency projects to prevent levee failure or repair levees
23 or other flood control facilities to restore conveyance and flood
24 protection.

25 (3) The preparation and implementation of a Delta emergency
26 operations plan.

27 (4) Emergency contracts for activities relating to a flood fight
28 or levee failure to prevent or mitigate loss of, or damage to, life,
29 health, property, or essential public services.

30 (c) For the purposes of implementing this section, priority shall
31 be given to the improvement of flood protection for vital public
32 water supplies by protecting critical water supply aqueducts that
33 serve public health and safety needs and cross multiple Delta
34 islands. To achieve improvements expeditiously, the authority may
35 make advance funding commitments for this work under
36 agreements with an agency that is capable of carrying out the work
37 to protect water supply infrastructure.

38 (d) Actions required by this section shall be financed from funds
39 generated by the issuance of general obligation bonds pursuant to
40 this division.

CHAPTER 4. DELTA WATERSHED CONSERVANCY

79640. (a) There is hereby established within the California Coastal Conservancy the Delta Watershed Conservancy.

(b) The Delta Watershed Conservancy shall serve as the land and water acquisition and restoration agent for the authority for environmental and restoration purposes.

79642. (a) The Delta Water Conservancy may expend funds, as allocated in accordance with this chapter to the conservancy by the authority from the fund established pursuant to Section 79670 for that purpose, to implement projects and programs, within the watershed of the bay-delta and the watershed of the Trinity River, to restore and enhance the bay-delta ecosystem and improve water quality.

(b) The Delta Watershed Conservancy shall establish bay-Delta ecosystem restoration goals and prepare a plan to achieve those goals. The goals and plan shall be updated at least every 10 years. The goals shall include all of the following:

(1) Restoration of listed and candidate species pursuant to the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), and the federal Endangered Species Act (16 U.S.C. Sec. 1531 et seq.), with the goal of allowing populations of listed and candidate species to become large and stable enough so that they no longer need be listed, or be considered for listing.

(2) Restoration and expansion of wetlands.

(3) Restoration of anadromous and other native fish species, by providing improved and expanded spawning, rearing, and migration route habitat.

(4) Restoration of riparian habitat.

(5) Restoration of islands in the Delta by growing vegetation, thereby reducing the production of greenhouse gas emissions.

(6) Creation of carbon mitigation programs in the primary zone, as defined in Section 29728 of the Public Resources Code, to reduce or eliminate greenhouse gas emissions from Delta islands and farms in accordance with Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

(7) Other biological restoration programs.

79643. (a) Funds generated for capital outlay projects by the issuance of general obligation bonds pursuant to this division, and

1 fees generated pursuant to Chapter 8 (commencing with Section
2 79670), shall be expended for ecosystem restoration activities
3 identified in the Delta Vision Blue Ribbon Task Force, December
4 14, 2007, report, “Foundation Concepts and Initial Activities for
5 Restoring the Delta Ecosystem,” to be prioritized by the Delta
6 Watershed Conservancy, as follows:

- 7 (1) Restore the tidal marsh in Cache Slough complex.
- 8 (2) Restore the tidal marsh in Suisun.
- 9 (3) Conserve the Cache Slough-Suisun ecological corridor.
- 10 (4) Enhance the Yolo Bypass.
- 11 (5) Enhance the Mokelumne and Consumnes floodplains linked
12 to tidal restoration.
- 13 (6) Restore the tidal marsh at Dutch Slough.
- 14 (7) Evaluate and implement, if appropriate, a project to
15 reconnect Elk Slough to the Sacramento River.
- 16 (8) Manage the Elk, Sutter, and Steamboat Sloughs for salmon
17 passage and fish habitats.
- 18 (9) Provide matching funds to improve wildlife-friendly
19 agriculture.
- 20 (10) Evaluate the potential for a lower San Joaquin River
21 floodplain and, if viable, implement.
- 22 (11) Establish a passage route for migratory fish, particularly
23 salmonids, from Vernalis to Chipps Island.
- 24 (12) Conserve lowland grasslands.
- 25 (13) Increase late winter and early spring San Joaquin flows for
26 fish.
- 27 (14) Restore the tidal marsh in Fabian-Union-Middle Roberts
28 complex.
- 29 (b) Other actions that may be financed from the funds described
30 in subdivision (a) include actions to accomplish all of the
31 following:
 - 32 (1) The control of invasive species.
 - 33 (2) Increase spring Delta outflows.
 - 34 (3) Increase fall Delta outflows.
 - 35 (4) Implement short-term conveyance enhancements to reduce
36 Delta ecology problems such as entrainment.
 - 37 (5) Provide funds for cost sharing for subsidence reversal and
38 carbon sequestration wetlands at Sherman, Twitchell, and Jersey
39 Islands.
 - 40 (6) Reduce contaminant loadings.

1 (7) Experiment with targeted salinity intrusions to control
2 invasive species and promote fish populations.

3 (8) Install screened diversions where determined beneficial by
4 fish biologists.

5 (9) Replace earthen portions of railroad with a causeway across
6 the Yolo Pass.

7 79644. (a) The Delta Watershed Conservancy shall consult
8 with any successor to the California Bay-Delta Authority, and the
9 agencies that participated in that authority, to avoid duplication,
10 and increase the effectiveness of expenditures under this division.

11 (b) The Delta Watershed Conservancy shall consider the
12 objectives and functions of the CALFED Bay-Delta Program in
13 developing its expenditure plan under this division.

14 79646. The Delta Watershed Conservancy shall not, by itself,
15 carry out construction or ecosystem restoration programs financed
16 by this division, but shall award grants and contracts to public
17 agencies and nonprofit organizations, including local conservation
18 corps, to carry out these programs.

19 79648. Only funds reserved for capital outlay projects may be
20 expended to purchase water rights for the environment and other
21 beneficial uses for the purpose of this chapter.

22 79649. Any lands or water retained in ownership by the State
23 of California shall be owned and managed by the Department of
24 Fish and Game.

25
26 CHAPTER 5. DELTA PROTECTION COMMISSION
27

28 79650. Any approval of development by a city or county in
29 the primary and secondary zones of the Delta shall not be effective
30 unless approved by the Delta Protection Commission. For the
31 purposes of this chapter and except as otherwise provided, the
32 “primary and secondary zones” refers to the zones described in
33 Sections 29728 and 29731 of the Public Resources Code.

34 79651. The Delta Protection Commission shall not approve
35 any development that is not necessary to maintain agricultural or
36 habitat protection land uses in the primary and secondary zones
37 of the Delta below three feet above mean sea level.
38 Notwithstanding any other provision of law, the secondary zone
39 includes lands within one mile of the Delta if the commission
40 determines that any of the following applies:

1 (a) The proposed development would result in a threat to the
2 safety of those living or working in the development.

3 (b) The proposed development would result in damage or
4 destruction in the case of flooding or seismic activity.

5 (c) The proposed development would make flood control or
6 management in the Delta more difficult.

7
8 CHAPTER 6. DELTA LAND MANAGEMENT
9

10 79655. A public agency, including a state agency, shall not
11 manage agricultural lands that the public agency owns within the
12 Delta in a way that results in a reduction in the elevation of those
13 islands. All public agencies owning land in the Delta shall manage
14 those lands to improve habitat values, and to reduce greenhouse
15 gas emissions.

16
17 CHAPTER 7. DELTA SCIENCE ADVISORY PANEL
18

19 79660. (a) There is in the authority a Delta Science Advisory
20 Panel consisting of scientists selected by the board in accordance
21 with this section. The scientists shall have knowledge of hydrology,
22 geomorphology, biology, climatology, economics, soils and civil
23 engineering, seismology, geology, or other disciplines relevant to
24 the management of the bay-delta watershed, as determined by the
25 board.

26 (b) The Delta Science Advisory Panel shall have no more than
27 11 members, and shall include, but not be limited to, employed or
28 retired scientists from federal and state agencies not having major
29 project or regulatory authority over the Delta, the University of
30 California, the California State University, and nongovernmental
31 organizations.

32 (c) (1) The board shall select the panel members from a list of
33 nominees provided by the Director of the University of California
34 Center for Water Resources and the Director of the United States
35 Geologic Survey office in Sacramento.

36 (2) Panel members shall serve three-year terms. Panel members
37 may be appointed to subsequent terms. The panel members shall
38 select the chairperson of the panel.

1 (d) (1) The Delta Science Advisory Panel shall hold public
2 meetings and prepare an annual report for submission to the
3 authority on scientific issues related to the Delta.

4 (2) The Delta Science Advisory Panel shall include in the report
5 scientific and technical findings regarding the management of the
6 Delta and recommended actions of the authority, an identification
7 of short-term and long-term matters for research, and a description
8 of the relevance of these matters to the design, management, and
9 operations of the facility.

10 (3) The report shall include a discussion relating to the design,
11 construction, and operation of the facility given scientific
12 knowledge regarding possible ways to improve water quality,
13 ecosystem restoration, and methods to improve efficiency of water
14 deliveries to water users.

15 (4) The authority shall consider, and adopt where feasible and
16 practical, changes in the design, construction, and operation that,
17 in its judgment, would better utilize the scientific information
18 provided by the Delta Science Advisory Panel.

19 (e) For the first 10 years of operation, up to 10 percent of the
20 authority's budget shall be devoted to the implementation of a
21 Delta solutions program devoted to scientific and technical work,
22 up to a limit of ten million dollars (\$10,000,000) per year. The
23 program shall be designed in consultation with the Delta Science
24 Advisory Panel.

25
26 CHAPTER 8. CLEAN DRINKING WATER, WATER QUALITY
27 IMPROVEMENT, ENVIRONMENTAL ENHANCEMENT, AND WATER
28 SUPPLY DISASTER PREVENTION FUND
29

30 79670. (a) (1) There is hereby established the Clean Drinking
31 Water, Water Quality Improvement, and Environmental
32 Enhancement Fund.

33 (2) The authority shall impose a fee, not to exceed fifty dollars
34 (\$50) per acre-foot of water transmitted through the facility, on
35 all affected federal and state contractors, and any affected local
36 water agency. The fee shall be increased annually in accordance
37 with the California Consumer Price Index. Upon commencement
38 of operation of the facility, the fee shall be imposed on water
39 pumped from the Delta by the State Water Resources Development

1 System and the federal Central Valley Project without regard to
2 whether the water is conveyed through the facility.

3 (3) The authority may impose a fee of five dollars (\$5) per
4 acre-foot on water agencies that divert water upstream of the Delta
5 that does not otherwise return to the Delta, and that, under existing
6 state or federal laws, are not otherwise required to pay mitigation
7 fees for impacts on ecological functions of the Delta that are caused
8 by their diversions.

9 (b) Funds generated by the imposition of fees pursuant to this
10 chapter shall be deposited in the fund.

11 (c) The proceeds of bonds issued and sold pursuant to Chapter
12 9 (commencing with Section 79685) shall be deposited in the fund.
13 These proceeds may only be expended for capital outlay projects
14 in accordance with this division. No more than 10 percent of these
15 proceeds may be expended in any fiscal year for the purposes of
16 Section 79634.

17 (d) Notwithstanding Section 13340 of the Government Code,
18 the moneys in the fund are hereby continuously appropriated,
19 without regard to fiscal years, to the authority for expenditure in
20 accordance with this division.

21 (e) Funds generated from the fee imposed by this section shall
22 not be expended to pay for any action authorized by this division
23 unless the authority finds that the action mitigates impacts caused
24 by the use of water by water users subject to the fee.

25 26 CHAPTER 9. FISCAL PROVISIONS 27

28 79685. (a) Bonds in the total amount of six billion dollars
29 (\$6,000,000,000), not including the amount of any refunding bonds
30 issued in accordance with Section 79697, or so much thereof as is
31 necessary, may be issued and sold to provide a fund to be used for
32 carrying out the purposes expressed in this division and to
33 reimburse the General Obligation Bond Expense Revolving Fund
34 pursuant to Section 16724.5 of the Government Code. The bonds,
35 when sold, shall be and constitute valid and binding obligations
36 of the State of California, and the full faith and credit of the State
37 of California is hereby pledged for the punctual payment of both
38 the principal of, and interest on, the bonds as the principal and
39 interest become due and payable.

1 (b) The Treasurer shall sell the bonds authorized by the
2 committee pursuant to this section. The bonds shall be sold upon
3 the terms and conditions specified in a resolution to be adopted
4 by the committee pursuant to Section 16731 of the Government
5 Code.

6 79686. The bonds authorized by this division shall be prepared,
7 executed, issued, sold, paid, and redeemed as provided in the State
8 General Obligation Bond Law, and all of the provisions of that
9 law apply to the bonds and to this division and are hereby
10 incorporated in this division as though set forth in full in this
11 division.

12 79687. (a) Solely for the purpose of authorizing the issuance
13 and sale, pursuant to the State General Obligation Bond Law, of
14 the bonds authorized by this division, the Sacramento-San Joaquin
15 River Delta Finance Committee is hereby created. For the purposes
16 of this division, the Sacramento San Joaquin River Delta Finance
17 Committee is “the committee” as that term is used in the State
18 General Obligation Bond Law.

19 (b) The committee consists of the Director of Finance, the
20 Treasurer, and the Controller. Notwithstanding any other provision
21 of law, any member may designate a deputy to act as that member
22 in his or her place for all purposes, as though the member were
23 personally present.

24 (c) The Treasurer shall serve as chairperson of the committee.

25 (d) A majority of the members of the committee shall constitute
26 a quorum of the committee, and may act for the committee.

27 79688. The committee shall determine whether or not it is
28 necessary or desirable to issue bonds authorized pursuant to this
29 division to carry out the actions specified in this division and, if
30 so, the amount of bonds to be issued and sold. Successive issues
31 of bonds may be authorized and sold to carry out those actions
32 progressively, and it is not necessary that all of the bonds
33 authorized to be issued be sold at any one time.

34 79689. “Board,” as defined in Section 16722 of the Government
35 Code for the purposes of compliance with the State General
36 Obligation Bond Law, means the department.

37 79690. There shall be collected each year and in the same
38 manner and at the same time as other state revenue is collected,
39 in addition to the ordinary revenues of the state, a sum in an amount
40 required to pay the principal of, and interest on, the bonds each

1 year, and it is the duty of all officers charged by law with any duty
2 in regard to the collection of the revenue to do and perform each
3 and every act which is necessary to collect that additional sum.

4 79691. Notwithstanding Section 13340 of the Government
5 Code, there is hereby appropriated from the General Fund in the
6 State Treasury, for the purposes of this division, an amount that
7 will equal the total of the following:

8 (a) The sum annually necessary to pay the principal of, and
9 interest on, bonds issued and sold pursuant to this division, as the
10 principal and interest become due and payable.

11 (b) The sum that is necessary to carry out the provisions of
12 Section 79694, appropriated without regard to fiscal years.

13 79692. The board may request the Pooled Money Investment
14 Board to make a loan from the Pooled Money Investment Account
15 in accordance with Section 16312 of the Government Code for the
16 purpose of carrying out this division. The amount of the request
17 shall not exceed the amount of the unsold bonds that the committee
18 has, by resolution, authorized to be sold for the purpose of carrying
19 out this division. The board shall execute those documents required
20 by the Pooled Money Investment Board to obtain and repay the
21 loan. Any amounts loaned shall be deposited in the fund to be
22 allocated in accordance with this division.

23 79693. Notwithstanding any other provision of this division,
24 or of the State General Obligation Bond Law, if the Treasurer sells
25 bonds that include a bond counsel opinion to the effect that the
26 interest on the bonds is excluded from gross income for federal
27 tax purposes under designated conditions, the Treasurer may
28 maintain separate accounts for the bond proceeds invested and for
29 the investment earnings on those proceeds, and may use or direct
30 the use of those proceeds or earnings to pay any rebate, penalty,
31 or other payment required under federal law or take any other
32 action with respect to the investment and use of those bond
33 proceeds, as may be required or desirable under federal law in
34 order to maintain the tax-exempt status of those bonds and to obtain
35 any other advantage under federal law on behalf of the funds of
36 this state.

37 79694. For the purposes of carrying out this division, the
38 Director of Finance may authorize the withdrawal from the General
39 Fund of an amount or amounts not to exceed the amount of the
40 unsold bonds that have been authorized by the committee to be

1 sold for the purpose of carrying out this division. Any amounts
2 withdrawn shall be deposited in the fund. Any money made
3 available under this section shall be returned to the General Fund,
4 with interest at the rate earned by the money in the Pooled Money
5 Investment Account, from proceeds received from the sale of bonds
6 for the purpose of carrying out this division.

7 79695. All money deposited in the fund that is derived from
8 premiums and accrued interest on bonds sold pursuant to this
9 division shall be reserved in the fund and shall be available for
10 transfer to the General Fund as a credit to expenditures for bond
11 interest.

12 79696. Pursuant to Chapter 4 (commencing with Section
13 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
14 the cost of bond issuance shall be paid out of the bond proceeds.
15 These costs shall be shared proportionately by each program funded
16 through this division.

17 79697. The bonds issued and sold pursuant to this division
18 may be refunded in accordance with Article 6 (commencing with
19 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
20 the Government Code, which is a part of the State General
21 Obligation Bond Law. Approval by the electors of the state for the
22 issuance of the bonds under this division shall include approval
23 of the issuance of any bonds issued to refund any bonds originally
24 issued under this division or any previously issued refunding bonds.

25 79698. The Legislature hereby finds and declares that,
26 inasmuch as the proceeds from the sale of bonds authorized by
27 this division are not “proceeds of taxes” as that term is used in
28 Article XIII B of the California Constitution, the disbursement of
29 these proceeds is not subject to the limitations imposed by that
30 article.

31 SEC. 2. Section 1 of this act shall be submitted to the voters
32 at the November __, ____, statewide general election in accordance
33 with provisions of the Government Code and the Elections Code
34 governing the submission of a statewide measure to the voters.

35 SEC. 3. (a) Notwithstanding any other provision of law, all
36 ballots of the election shall have printed thereon and in a square
37 thereof, the words: “Sacramento-San Joaquin River Delta Clean
38 Drinking Water, Water Supply Security, and Environmental
39 Improvement Act of 2009” and in the same square under those
40 words, the following in 8-point type: “This act provides for a bond

1 issue of six billion dollars (\$6,000,000,000) to provide funds to
2 substantially improve drinking water quality, enhance the
3 environment, and prevent disasters from interrupting California's
4 major water supply."

5 (b) Opposite the square, there shall be left spaces in which the
6 voters may mark the ballot in the manner required by law to
7 indicate whether they vote for or against the act.

8 (c) Where voting in the election is done by means of voting
9 machines used pursuant to law in a manner that carries out the
10 intent of this section, the use of the voting machines and the
11 expression of the voters' choice by means thereof are in compliance
12 with this section.

13 SEC. 4. Notwithstanding Sections 13247 and 13281 of the
14 Elections Code, the language in Section 3 shall be the only
15 language included in the ballot label for the condensed statement
16 of the ballot title, and the Attorney General shall not supplement,
17 subtract from, or revise that language, except that the Attorney
18 General may include the financial impact summary prepared
19 pursuant to Section 9087 of the Elections Code and Section 88003
20 of the Government Code. The ballot label is the condensed
21 statement of the ballot title and the financial impact summary.

22 SEC. 5. Section 1 of this act shall become operative only if
23 both of the following occur:

24 (a) Senate Constitutional Amendment ____ of the 2009–10
25 Regular Session is submitted to and approved by the voters at the
26 November __, ____, statewide general election.

27 (b) The voters approve the Sacramento-San Joaquin River Delta
28 Clean Drinking Water, Water Supply Security, and Environmental
29 Improvement Act of 2009, as set forth in Section 1 of this act.